

HOUSE BILL No. 1050

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-32.

Synopsis: Income tax credit for textbook fees. Provides a refundable income tax credit for textbook expenses paid by a taxpayer: (1) for dependents who are enrolled in a public school or an accredited nonpublic school; and (2) with a household income under 350% of the federal poverty level.

Effective: January 1, 2008 (retroactive).

VanDenburgh

January 8, 2008, read first time and referred to Committee on Ways and Means.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1050

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-32 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008 (RETROACTIVE)]:

4 **Chapter 32. Tax Credit for Elementary and Secondary**
5 **Education Textbooks**

6 **Sec. 1. As used in this chapter, "eligible dependent" means a**
7 **dependent who is enrolled in any grade from kindergarten through**
8 **grade 12 in a public school or an accredited nonpublic school.**

9 **Sec. 2. As used in this chapter, "public school" has the meaning**
10 **set forth in IC 20-18-2-15.**

11 **Sec. 3. As used in this chapter, "qualifying taxpayer" means a**
12 **taxpayer with a household income that is not more than three**
13 **hundred fifty percent (350%) of the federal poverty level.**

14 **Sec. 4. As used in this chapter, "textbook expense" means an**
15 **expense that is:**

16 **(1) incurred by a qualifying taxpayer and paid to a public**
17 **school or an accredited nonpublic school for textbooks and**

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- 1 instructional materials for an eligible dependent;
- 2 (2) paid on or before the deadline for the payment as
- 3 determined by the public school or accredited nonpublic
- 4 school; and
- 5 (3) not reimbursed to the qualifying taxpayer.

6 Sec. 5. A qualifying taxpayer who incurs a textbook expense is
 7 entitled to a credit against the adjusted gross income tax imposed
 8 on the qualifying taxpayer by IC 6-3 for the taxable year during
 9 which the qualifying taxpayer incurs the textbook expense. The
 10 amount of the credit is as follows:

11 (1) In the case of a qualifying taxpayer with a household
 12 income that is less than or equal to two hundred fifty percent
 13 (250%) of the federal poverty level, the amount of the credit
 14 is equal to the qualifying taxpayer's textbook expense.

15 (2) In the case of a qualifying taxpayer with a household
 16 income that is:

17 (A) greater than two hundred fifty percent (250%); and

18 (B) less than or equal to three hundred fifty percent
 19 (350%);

20 of the federal poverty level, the amount of the credit is equal
 21 to fifty percent (50%) of the qualifying taxpayer's textbook
 22 expense.

23 Sec. 6. If the amount of the credit provided by this chapter to a
 24 qualifying taxpayer during a particular taxable year exceeds the
 25 sum of the taxes imposed on the qualifying taxpayer by IC 6-3 for
 26 the taxable year after the application of all credits that under
 27 IC 6-3.1-1-2 are to be applied before the credit provided by this
 28 chapter, the excess shall be returned to the qualifying taxpayer as
 29 a refund.

30 Sec. 7. (a) A qualifying taxpayer claiming a credit under this
 31 chapter must claim the credit on the qualifying taxpayer's annual
 32 state tax return or returns in the manner prescribed by the
 33 department.

34 (b) The qualifying taxpayer shall submit to the department all
 35 information that the department determines is necessary for the
 36 calculation of the credit provided by this chapter and the
 37 determination of whether the credit was properly claimed.

38 Sec. 8. The department shall adopt rules under IC 4-22-2 to
 39 carry out this chapter.

40 SECTION 2. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]
 41 IC 6-3.1-32, as added by this act, applies only to taxable years
 42 beginning after December 31, 2007.

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1 **SECTION 3. An emergency is declared for this act.**

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